

# **TENNESSEE ALCOHOLIC BEVERAGE COMMISSION**

**Agenda  
June 27, 2012  
1:30 pm**

---

**1. Approval of Minutes for May 23, 2012 Commission Meeting**

**A. 2. RETAIL**

**1. GRAPEVINE WINE AND SPIRITS  
BRENTWOOD, TENNESSEE (WILLIAMSON COUNTY)**

**Licensee: Grapevine Wine and Spirits, LLC**  
**Members: John A. Lee and Gary Sasser**  
**Proposed Member: John A. Lee**

Before the Commission is a request for a partial change in ownership of the retail business located at 8109 Moores Lane in Brentwood, Tennessee. Currently, John A. Lee and Gary Sasser each own 50% membership interest in this business. Mr. Lee wishes to purchase Mr. Sasser's interest for \$500,000 to become the sole member with 100% ownership interest. Financing is based upon a promissory note between Mr. Lee and Mr. Sasser. All documentation has been provided with the exception of the following:

- a. Payment of outstanding citations, if any.

**2. 31-W LIQUOR  
GOODLETTSVILLE, TENNESSEE (DAVIDSON COUNTY)**

**Licensee: 31-W Liquor Store, Inc.**  
**Stockholders: James M. Smith, Jr.**  
**Proposed New Stockholder: William Dustin Smith and Matthew Smith**

Before the Commission is a request for a change in ownership of the retail business located at 435 N. Main Street in Goodlettsville, Tennessee. Mr. James Smith, Jr. passed away on December 19, 2011. In his will, he left 25 ½% ownership interest each to William Dustin Smith and David Smith, and 49% ownership interest to Jimmy Smith. Mr. David Smith cannot have any ownership interest in the business because of the prohibition of elected officials having an interest in a retail business. Therefore, David Smith would like to give his interest in the business to his son, Matthew Smith, under a trust with Dustin Smith as the trustee. Jimmy Smith wants to sell his 49% interest to Jimmy and Matthew Smith so that each would ultimately own 50%. The corporate licensee will remain the same. Financing for the purchase of Mr. Jimmy

Smith's interest is based upon a promissory note. All documentation has been submitted with the exception of the following:

- a. Death Certificate for James Smith, Jr.;
- b. Copy of pertinent parts of James Smith's will;
- c. Document transferring David Smith's interest to Matthew Smith;
- b. Bill of sale from Jimmy Smith to Matthew and Dustin Smith;
- c. Promissory note for the purchase.
- d. Trust for Matthew Smith.

**3. DIXIE LEE WINES & LIQUORS  
FARRAGUT, TENNESSEE (KNOX COUNTY)**

**Licensee: Dixie Lee Wines and Liquors, Inc.**

**Stockholders: Linda Taylor; Sam Taylor, III; Ellen Jones;  
Melanie Brown**

Before the Commission is a request for a re-distribution of stock in the ownership of the retail licensee found at 13044 Kinston Pike, Farragut, Tennessee. This is a family-owned business. Currently, Ms. Taylor owns 88.27% of the business, and Ellen Jones, Melanie Brown and Sam Taylor, III each own 3.91%. As part of the estate planning, Mrs. Taylor wishes to sell some her interest in the business to her children. Each child would purchase 1.01% of Mrs. Taylor's stock for \$10,000 each. The re-distribution of stock would result in the following: Linda Taylor (85.24); Sam Taylor, III (4.92); Ellen Jones (4.92) and Melanie Brown (4.92). All documentation has been submitted.

**4. CROSS CREEK WINE AND SPIRITS  
HARTSVILLE, TENNESSEE**

**Licensee/Seller: Robert E. Powers**

**Applicant/Buyer: Shane Ryan Burton, Sr.**

Before the Commission is a request for a change in ownership of the retail store located at 784 McMurry Boulevard in Hartsville, Tennessee. Mr. Burton wishes to purchase the business for \$52,000. Financing is based upon existing personal funds. He will be leasing the property from Mr. Powers for a period of three years at \$500/month. In January, 2012, Cross Creek Wine and Spirits paid a citation for the failure of a licensee to notify the agency of a change in ownership—Mr. Burton. It was determined that Mr. Burton had purchased the business in 2010. Since that time, Mr. Burton has

been attempting to complete the application for a change in ownership of the business. All documentation has been submitted with the exception of the following:

- a. Current Certificate of Compliance for Shane Burton, Sr.;
- b. Current newspaper affidavit and notice.
- c. Deed to Mr. Powers
- d. Sales tax number;
- e. Payment of any outstanding citations, if any.

### **3. WINERY MATTERS**

#### **A. NATCHEZ HILLS VINEYARD HAMPSHIRE, TENNESSEE (LEWIS COUNTY)**

**Applicant: JKO Enterprises, Inc.**  
**Stockholders: James and Karen Odom**

Before the Commission is a request for a new winery to be located at 109 Overhead Bridge Road in Hampshire, Tennessee. James and Karen Odom will be initially investing \$1,141,000 to operate the winery. The corporate applicant is leasing the property from James Odom on a year-to-year basis with monthly rent at \$2,650. All documentation has been submitted with the exception of the following:

- a. Deed to James Odom;
- b. TABC Inspection;
- c. Use and Occupancy permit;
- d. Acknowledgement of the rules/regulations;
- e. Sales tax number.

#### **B. THE GRAPE BARN AT NOLICHUCKY VINEYARD RUSSELLVILLE, TENNESSEE (HAMBLLEN COUNTY)**

**Applicant: Katie Martin**

Before the Commission is a request for a new FARM WINERY LICENSE to be located at 6600 Fish Hatchery Road in Russellville, Tennessee. In the 2012 legislative session, the General Assembly created a new license to be designated a Farm Winery License which would allow farms consisting of commercial vineyards, fruit orchards or fruit gardens to be used in the making of wine when the resulting beverage contains 95% of the product of such vineyards. The farms will be allowed to contract with Tennessee licensed vineyards that will custom crush the fruit and produce

the wine. The finished product will then be transported back to the farm and the farm will be allowed to sell the wine at retail. (See Public Chapter, 691.)

Ms. Martin has contracted with Hillside Winery in Sevierville to produce the wine on behalf of The Grape Barn at Nolichucky Vineyard. A report from the Department of Commerce and Insurance—Division of Fire Prevention has been submitted in lieu of a use and occupancy permit due to a farm's "Greenbelt Designation". All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules and regulations.

#### 4. WHOLESALE MATTERS

##### A. BONUS BEV NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

**Licensee/Seller:** Bonus Bev, LLC  
**Members:** Kurt Strickmaker  
**Proposed New Members:** Stephen Schultenover, Juan Vallarino, and John Dant, III

Before the Commission is a request for a change in partial change in ownership of the wholesale business located at 3628-B Trousdale Drive in Nashville, Tennessee. Mr. Schultenover, Mr. Vallarino, and Mr. Dant wish to purchase 40% of Mr. Strickmaker's interest in the business for a total of \$100,000. This purchase would result in the following percentage ownership interest: Kurt Strickmaker --60%; Stephen Schultenover—10% (\$25,000); Juan Vallarino—15% (\$37,500); and John Dant—15% (\$37,500). All for documentation has been submitted.

##### C. TENNESSEE WINE WHOLSALERS—(CONTINUED FROM MAY, 2012 COMMISSION MEETING) MEMPHIS, TENNESSEE (SHELBY COUNTY)

**Applicant:** David Anthony Neihoff

Before the Commission is a request for a new wholesale business to be located at 6937 Stage Road, Unit G196 in Memphis, Tennessee. Mr. Neihoff, a City of Jackson resident, wishes to initially invest \$5000 to operate the business. Mr. Neihoff is leasing a storage unit for \$40/month for

the storage of the alcohol on a month to month basis. Mr. Neihoff has indicated that the only product he wishes to distribute would be wine from his uncle's winery in Kentucky. **Issue:** Is a storage facility sufficient to operate a beginning wholesale business? All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules and regulations;
- c. Use and Occupancy permit;
- d. Written business plan.

**Discussion/Action Taken: (May 23, 2012)**

Director Elks reviewed the matter to the Commission and stated that she has requested a written business plan and stated she has not received the plan; therefore she stated she could not recommend approval.

Commissioner Jones made a motion to continue this matter to the June, 2012 Commission meeting. Chairperson McDaniel seconded the motion and it passed with 2 ayes.

**5. DISTILLERY MATTERS**

**A. BLACKSTONE BREWERY  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

**Applicant: NFB Partners, LP**

**Partners: CERES, Inc. and certain limited partners**

Before the Commission is a request to for a new manufacturer to be located at 1918 Wend End Avenue in Nashville, Tennessee. Pursuant to T.C.A. §57-2-103, a manufacturer is allowed to produce high alcoholic content beer. Further, pursuant to T.C.A. §57-4-201 such manufacturer is allowed to obtain a license as a restaurant or limited service restaurant that will be located on the premises of the manufacturer. NFB Partners, LP will brew and manufacture high alcoholic content beer at this location and will continue to operate Blackstone Restaurant and Brewery. Their lease is with Cooke/Wilson Properties, with a monthly rent of \$11,718,75. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules and regulations;
- c. Use and Occupancy permit

- d. Charter CERES, Inc. and list of stockholders;
- e. List of limited partners and percentage of ownership;
- f. Deed to Cooke/Wilson Properties.

**B. BLACKSTONE BREWING COMPANY, LLC  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

**Applicant: Blackstone Brewing Company, LLC**

**Members: Kent Taylor, Todd Taylor and Stephanie Wilkerson**

Before the Commission is a request for a new manufacturer to be located at 2312 Clifton Avenue in Nashville, Tennessee. Kent Taylor (42.5%), Todd Taylor (15%) and Stephanie Wilkerson (42.5%) intend to invest approximately \$3 million dollars to operate at this manufacturer's location. It is intended that the applicant will be bottling high gravity beer manufactured by NFB Partners, LP at 1918 West End Avenue, in Nashville, Tennessee. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules and regulations;
- c. Current Use and Occupancy permit;
- d. Deed to property owner;
- e. Lease to applicant.

**6. CONTESTED CASES—SERVER PERMITS**

**A. Tamika Michelle Greenlee**

Ms Greenlee pled guilty to and was convicted of Attempted Sale of Cocaine (a Schedule 2- Class D Drug Felony-T.C.A. § 39-17-417) in Knox County, Tennessee Criminal Court on January 26, 2007 and was sentence as a standard offender to two (2) years in the state penitentiary, sentence was suspended and she was placed on probation that expired January 26, 2009. She was denied the server permit based on T.C.A. § 57-3-704(2): "...An applicant...must meet... the following requirements:...(2) The applicant has not been convicted of any crime relating to the sale of alcoholic beverages, beer, schedules 1 and 2 controlled substances or any sex-related crime or embezzlement within the previous eight (8) years;..."

**B. Katharine Vela**

Ms Vela pled guilty to and was convicted of Possession of Cocaine Less Than One Gram (a Schedule 2 Drug Felony) in Harris County, Texas District Court on July 5, 2011 and was sentence to ten (10) months state jail. She was denied the server permit based on T.C.A. § 57-3-704(2): "...An applicant...must meet... the following requirements:...(2) The applicant has not been convicted of any crime relating to the sale of alcoholic beverages, beer, schedules 1 and 2 controlled substances or any sex-related crime or embezzlement within the previous eight (8) years;..."

**C. Lisa Y. Story**

Ms Story pled guilty to and was convicted of Conspiracy to Distribute and Possession with the Intent to Distribute Five (5) Kilograms or more of Cocaine (a Schedule 2 Drug Felony) in the U.S. District Court for the Eastern District of Tennessee on October 30, 2006 and was sentence to forty-eight (48) months in prison follow by a 5-year term of supervised release that commenced on January 6, 2010 and expires on January 5, 2015.

She was denied the server permit based on T.C.A. § 57-3-704(2): "...An applicant...must meet... the following requirements:...(2) The applicant has not been convicted of any crime relating to the sale of alcoholic beverages, beer, schedules 1 and 2 controlled substances or any sex-related crime or embezzlement within the previous eight (8) years;..."

**D. Susan M. Williams**

Ms Williams pled guilty to and was convicted of Prescription Fraud (a Felony) in February, 2009 and was sentence to 240 hours of community service and supervised probation. Ms Williams's probation was revoked in August of 2010 when she was convicted of DUI. In 2011, Ms Williams again was placed on supervised probation. She was denied the replacement server permit based on T.C.A. § 57-3-704(1): "...An applicant...must meet[s] the following requirements:...(1) The applicant has not been convicted of any felony within the previous four (4) years;..."

**7. BUDGET**

**8. CONSENT ORDERS**

**9. PENDING MATTERS LIST**

**10. MISCELLANEOUS**

**A. Monthly Summary of TABC Activity**

- B. Review of June 6, 2012 Attorney General Opinion opining that the residency and corporate asset location requirements of T.C.A. §§57-3-203 and 57-3-204 violate the Commerce Clause and are not enforceable.**
- C. Review of TABC Rule 0100-06-(13)(d) which prohibits retail stores from accepting coupons for a refund (“cents off” coupon) in light of Public Chapter 947 which allows retail licensees to offer discounts.**

**11. DATE OF NEXT MEETING**